



King County

1200 King County
Courthouse
516 Third Avenue
Seattle, WA 98104

Meeting Agenda Committee of the Whole

Councilmembers: Kathy Lambert, Chair; Rod Dembowski, Vice Chair;
Claudia Balducci, Reagan Dunn, Larry Gossett, Jeanne Kohl-Welles, Joe McDermott,
Dave Upthegrove, Pete von Reichbauer

Staff: Rachelle Celebrezze, Lead Staff (206-477-0897)
Marka Steadman, Committee Assistant (206-477-0887)

9:30 AM

Wednesday, March 2, 2016

Room 1001

Pursuant to K.C.C. 1.24.035 A. and F., this meeting is also noticed as a meeting of the Metropolitan King County Council, whose agenda is limited to the committee business. In this meeting only the rules and procedures applicable to committees apply and not those applicable to full council meetings.

1. **Call to Order**

2. **Roll Call**

To show a PDF of the written materials for an agenda item, click on the agenda item below.

3. **Approval of Minutes**

February 17, 2016 meeting pp. 3-6 (Approx. 90 min.)

Briefing

4. **Briefing No. 2016-B0044** pp. 7-42

Public Health Deep Dive

Katherine Cortes, Council staff

Patty Hayes, Director of Public Health

Dwight Dively, Director, Office of Performance, Strategy and Budget

Other Business

Adjournment



Sign language and communication material in alternate formats can be arranged given sufficient notice (296-1000).

TDD Number 206-1024.

ASSISTIVE LISTENING DEVICES AVAILABLE IN THE COUNCIL CHAMBERS.



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Meeting Minutes Committee of the Whole

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Kohl-Welles, Joe McDermott,
Dave Upthegrove, Pete von Reichbauer*

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9:30 AM

Wednesday, February 17, 2016

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DRAFT MINUTES

Pursuant to K.C.C. 1.24.035 A. and F., this meeting is also noticed as a meeting of the Metropolitan King County Council, whose agenda is limited to the committee business. In this meeting only the rules and procedures applicable to committees apply and not those applicable to full council meetings.

1. **Call to Order**

The Metropolitan King County Council's Committee of the Whole was called to order by Chair Kathy Lambert at 9:38 a.m.

2. **Roll Call**

Present: 8 - Ms. Balducci, Mr. Dembowski, Mr. Dunn, Mr. Gossett, Ms. Kohl-Welles, Ms. Lambert, Mr. McDermott and Mr. von Reichbauer

Excused: 1 - Mr. Upthegrove

3. **Approval of Minutes**

Councilmember McDermott moved approval of the February 3, 2016 meeting minutes. There being no objections, the minutes were approved.

Discussion and Possible Action

4. Proposed Ordinance No. 2016-0095

AN ORDINANCE adding the vice chair of the budget and fiscal management committee and the vice chair of the law and justice committee to the list of persons eligible to be appointed to the leadership group of the E-911 strategic plan scoping committee; and amending Ordinance 18139, Section 2.

Greg Doss, Council staff, briefed the Committee. The matter was expedited to the February 22, 2016, Council agenda.

A motion was made by Councilmember Dembowski that this Ordinance be Recommended Do Pass Consent. The motion carried by the following vote:

Yes: 7 - Ms. Balducci, Mr. Dembowski, Mr. Dunn, Mr. Gossett, Ms. Kohl-Welles, Ms. Lambert and Mr. McDermott

Excused: 2 - Mr. Upthegrove and Mr. von Reichbauer

Briefing

5. Briefing No. 2016-B0029

Local Government Update - Bridges and Roads Final Report

John Resha provided opening comments and introduction of the speakers. Brenda Bower, Director of King County Roads; Louise Miller and Van Anderson, Bridges and Roads Task Force members; addressed the Committee and answered questions from the members.

This matter was Presented

6. Briefing No. 2016-B0018

Eastside Rail Corridor Quarterly Update

Deb Eddy, Council staff; and Erica Jacobs, Special Project Manager, Department of Natural Resources and Parks; briefed the Committee.

This matter was Presented

7. Briefing No. 2016-B0030

Executive Orders

Michelle Allison, Director of Council Relations, introduced Caroline Whalen, Director, Department of Executive Services; who briefed the Committee.

This matter was Presented

Adjournment

The meeting was adjourned at 11:00 a.m.

Approved this _____ day of _____.

Clerk's Signature

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King County

Metropolitan King County Council Committee of the Whole

STAFF REPORT

Agenda Item:	4	Name:	Katherine Cortes
Proposed No.:	2016-B0044	Date:	March 2, 2016

SUBJECT

This briefing will provide an update on the status of Public Health–Seattle and King County – its structure, alignment with Council priorities, and financial position – and the critical policy and financial challenges and choices across the different sections of the department. It provides a framework for Councilmembers to anticipate decisions, milestones and other items which they will hear about through 2016 and beyond.

SUMMARY

Collaborative review by Council staff, Public Health leadership, and Executive policy and budget staff of key dynamics affecting Public Health has resulted in the snapshot of Public Health that this briefing will provide. Several key themes were identified through discussion, review and analysis of data over a period of months covering the latter part of 2015 and the beginning of 2016.

These key themes are as follows:

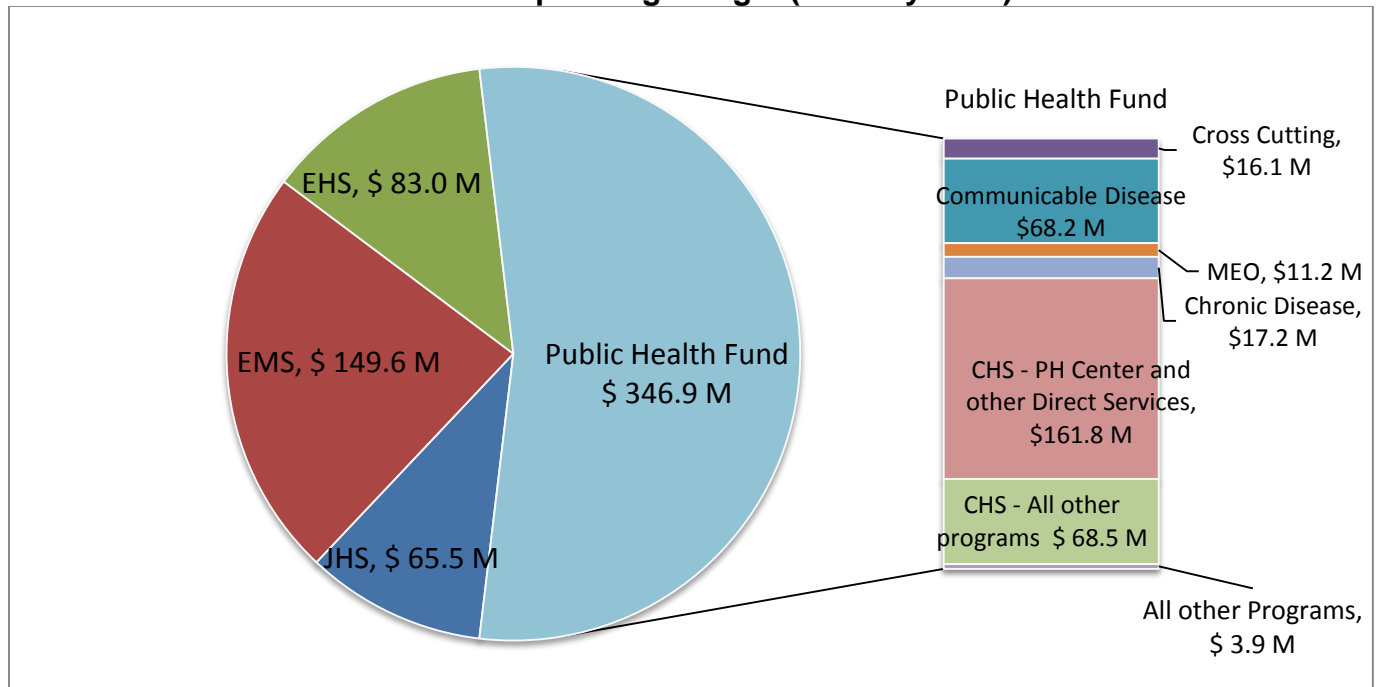
- Public Health's finances are improving, but significant challenges remain.
- Public Health's ability to fulfill its mission has been compromised by flat state and federal revenues while our region's health challenges have grown more complex.
- Foundational Public Health Services is a statewide policy and funding framework that presents an important opportunity for Council participation.
- Public Health is actively engaged with the Executive and the Office of Performance, Strategy and Budget on a portfolio of strategies to address program, departmental infrastructure and funding issues.

This briefing will discuss these key themes, as well as specific decision points and emergent factors on which the Council may wish to be briefed and consulted this year and through the 2017-18 biennium.

BACKGROUND

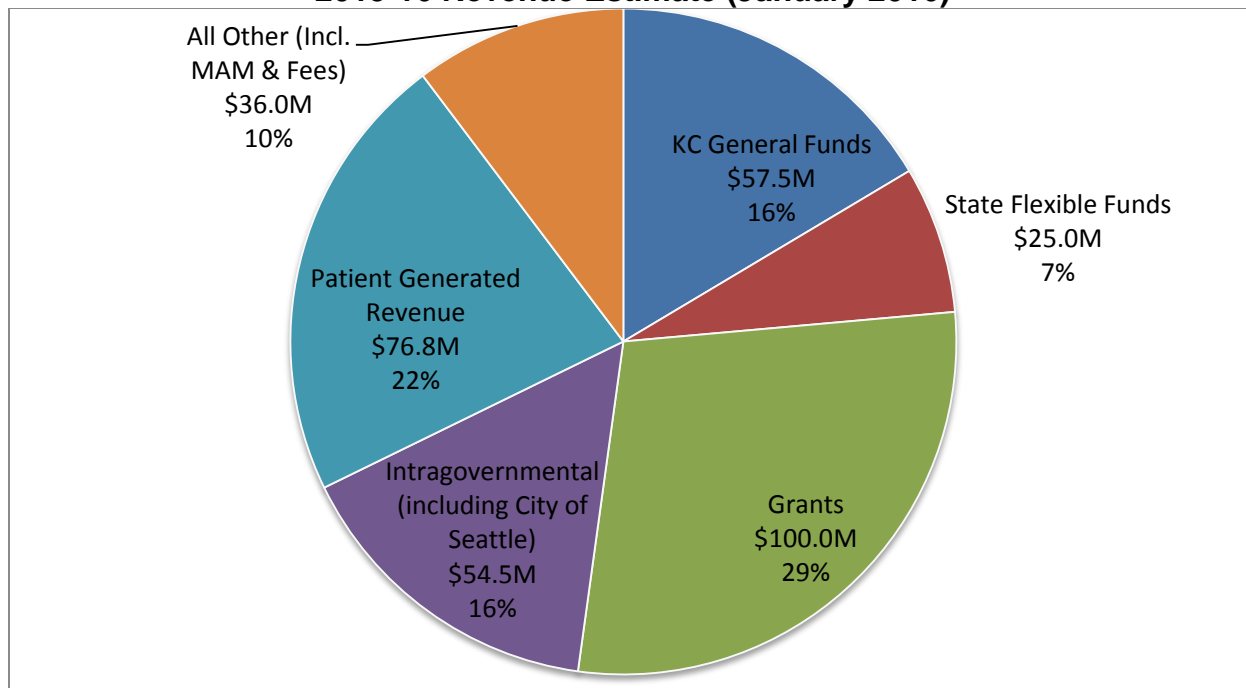
Public Health – Seattle & King County¹ has long been a provider of both direct and population-based health services to residents of King County. Its complex budget relies on a broad variety of revenues, including flexible funding support from the State and the King County General Fund, as well as grants, fees, levies and other categorical funding. Figure 1 below provides a general picture of the organizational budget structure of the department and Figure 2 shows the prevalence of different categories of revenue in the Public Health Fund, both as captured in the 2015-16 budget.

**Figure 1: Department of Public Health – Seattle & King County
2015-16 Revised Operating Budget (January 2016)**



¹ The department name reflects its origins as a joint City-County department. PHSKC is administered today by King County, although Seattle maintains a large contract with the department for a variety of public health services and has a role in confirming departmental leadership.

**Figure 2: Public Health Fund
2015-16 Revenue Estimate (January 2016)**



In 2014, during the development of the Executive's proposed budget for 2015-2016, the Executive and Public Health identified and communicated to Council a large anticipated shortfall for fiscal year 2014 (estimated at \$12 million) and for 2015/2016 (estimated at \$30 million). The shortfall resulted from an ongoing structural gap that was exacerbated by unforeseen reductions in Medicaid Administrative Claiming reimbursements, a key revenue supporting non-clinical services associated with Public Health's Community Health Services, Prevention and, to a lesser degree, Administration divisions. Important factors that masked the 2014 gap included inaccurate projections of expenditures and revenues and fund balance coding errors.² In July and September 2014, following extensive work with Public Health and the Office of Performance, Strategy and Budget, Council staff briefed the Budget and Fiscal Management Committee on the factors that led to the \$12 million shortfall in 2014 and the long-term challenges facing the Public Health Fund.³

Faced with these anticipated shortfalls and the proposed closure of four clinics in the agency's 2015-16 proposed budget (reduced to two clinic closures in the Executive's proposed budget), Council joined with Public Health and the Executive in an effort to identify partnerships with local stakeholders in the clinics for funding and, in some cases, transition or transformation of services. The adopted 2015-16 budget included funding to keep open all four clinics slated for closure into the biennium. However, the Public Health Fund remains in deficit and further measures will be necessary to promote longer-term stability for the department.

² Public Health, the Office of Performance, Strategy and Budget and the Finance and Business Operations Division have been working to assess and improve the department's financial management practices and procedures.

³ 2014-B0108, July 14, 2014; and 2014-B0133, September 3, 2014.

In July 2015, the Committee of the Whole identified the areas in which the County faced the greatest financial pressures: the General Fund, Roads, and Public Health. The Council charged staff with conducting research and analysis – a "deep dive" – into each of these areas in order to inform the Council's legislative agenda, decisions, and key communications on these most pressing topics.

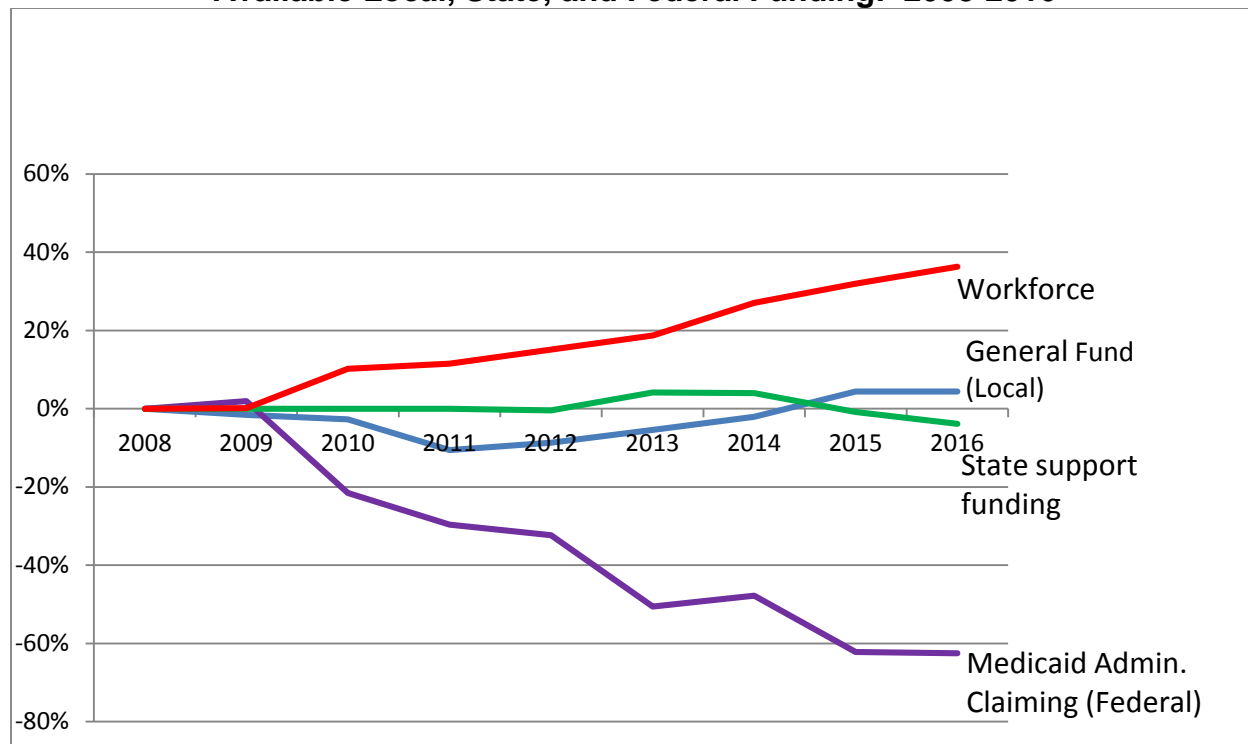
In October 2015, Budget and Fiscal Management committee heard an update (Briefing 2015-B0190) from Dwight Dively, Director of the King County Office of Performance, Strategy and Budget on the County's financial position, including that of Public Health. The briefing indicated that the Public Health Fund was projected to end 2016 with a fund balance of about -\$11 million, which will have to be recovered over time. The passage of the Best Starts for Kids levy and other initiatives could reduce the gap.

ANALYSIS

Public Health's finances are improving, but significant challenges remain. With the support and collaboration of Council, revenue sources such as the Best Starts for Kids levy and annual support built into the Harborview contract have allowed Public Health to avoid major service cuts in the near term. The form and implications of those new revenue sources must be carefully determined, and Council will have both formal and informal opportunities to be briefed and to provide guidance on decisions such as the Best Starts for Kids Implementation Plans and appropriations ordinances. Further, the structural gap between revenue and expenditure growth remains and threatens Public Health's long term sustainability in the absence of substantial new funding or service cuts.

Public Health's ability to fulfill its mission has been compromised by flat state and federal revenues while our region's health challenges have grown more complex. Council staff analysis has not revealed any substantive areas in which Public Health – Seattle and King County has taken on work that would otherwise be provided by the state or federal government. State and federal mandates have resulted in more complex partnerships in which the three levels of government play a role. However, the level of both categorical and flexible funding from the state and federal government has not grown at a rate equal to inflation plus population growth in King County.

Figure 3: Comparing Growth Rate of Workforce Costs with Available Local, State, and Federal Funding: 2008-2016



Additionally, the complexity of emerging public health challenges demands a greater complexity and robustness of response – examples include the need to communicate public health advisories and conduct investigations in an increased number of languages, as well as using modern data management systems to compile local risk and response factors and tailor local responses. At times, Public Health has not been able to maintain optimal timeliness and thoroughness of response to these public health challenges.

Foundational Public Health Services is a statewide policy and funding framework – Council may wish to participate in this discussion. Given the disjuncture between the current Public Health revenue and expenditure models, there is a need to systematically revisit the types and levels of public health services that King County's leadership and residents believe are needed and not provided by stakeholders other than County government. This need aligns with a national recognition within the public health sector, and a state initiative, to identify an appropriate set of services which should be prioritized for funding. The Council has to date been represented by Councilmember McDermott in the "Foundational Public Health Services" initiative convened by the Washington Department of Health. Those efforts, which will be further described by Director Patty Hayes in her presentation, are expected to come to a critical decision stage as a package of proposals for the Washington state legislature in 2017. The Council may wish to provide ongoing guidance on this effort.

Public Health is actively engaged with the Executive and the Office of Performance, Strategy and Budget on a portfolio of strategies to address program, departmental infrastructure and funding issues. These include implementing a Financial Management Project to improve the accuracy and reliability of

Public Health financial modeling and projections; engaging in Lean-informed Line of Business planning to determine a pathway to improved clinic sustainability; and carefully implementing Best Starts for Kids, Accountable Communities of Health and other initiatives that focus on prevention and can improve and support better health outcomes across King County at a lower cost than later interventions. Working with Council staff, Public Health and Executive leadership have committed to bringing these efforts forward to inform the Council, seek input and request decisions over the coming months.

Decisions and briefings regarding Public Health come up in a range of Councilmember forums and committees, including Committee of the Whole; Health, Housing, and Human Services; Budget and Fiscal Management; and the regional Board of Health. Among many transmittals and briefing topics related to the overall departmental picture provided today, the following are likely to appear in these committees between now and the end of 2016:

- Best Starts for Kids general Implementation Plan (due June 1)
- Behavioral/physical health integration
- Decisions on disposition or sustaining of clinic facilities – e.g. Northshore
- Line of Business planning outcomes
- Financial management milestones
- 2017-18 budget proposals
- 2017 legislative agenda & outreach

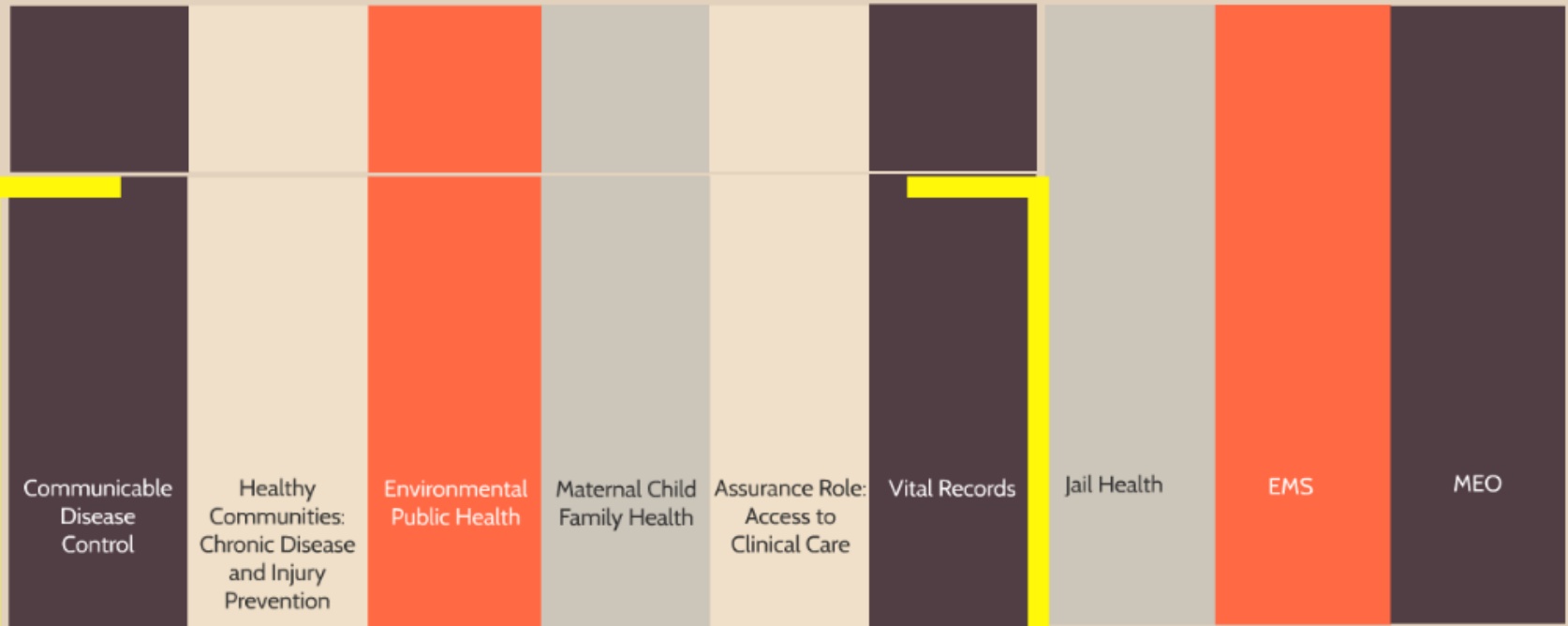
ATTACHMENTS

1. Metro Foundational Public Health Services graphic
2. Public Health Deep Dive PowerPoint presentation, March 2, 2016

INVITED

1. Patty Hayes, Director, Public Health – Seattle and King County
2. Dwight Dively, Director, Office of Performance, Strategy and Budget

Metro Foundational Public Health Services



Across all programs:

- Assessment (surveillance and epidemiology)
- Emergency preparedness and response (all hazards)
- Communications
- Policy development and support
- Community partnership development
- Business competencies

State's FPHS model accounts for the capacity shown in yellow brackets.



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Committee of the Whole

Public Health Deep Dive

March 2, 2016

Katherine Cortes
Council Staff

Dwight Dively, Director
Performance, Strategy and Budget

Patty Hayes, RN, MN, Director
Public Health—Seattle & King County

COW Packet - Page 15



King County

Outline For The “Deep Dive”

- **Public Health status: structure, alignment with Council priorities, financial position**
- Critical policy and financial challenges and choices
 - Communicable disease
 - Cross-cutting services
 - Chronic disease & injury prevention
 - Clinic sustainability
 - Financial management
- Strategies and opportunities for Council engagement

Key Themes

- Public Health's finances are improving, but significant challenges remain.
- Public Health's ability to fulfill its mission has been compromised by flat state and federal revenues while our region's health challenges have grown more complex.
- Foundational Public Health Services is a statewide policy and funding framework that presents an important opportunity for Council participation.
- Public Health is actively engaged with the Executive and the Office of Performance, Strategy and Budget on a portfolio of strategies to address program, departmental infrastructure, and funding issues.

As you heard at the legislative breakfast...



-40%

Adjusted for inflation, there has been a nearly **40-percent** per capita reduction in state core public health funding since 1999.

TIMELINE:

- 1999:** MVET removes funding and legislature restores at 90-percent
- 2007:** One-time increase of \$10 million, later cut in half due to recession
- 2016:** Problem solving mode. No ask of the State Legislature
- 2017:** Working to achieve sensible, sustainable revenues for public health

Metro Foundational Public Health Services

Communicable
Disease
Control

Healthy
Communities:
Chronic Disease
and Injury
Prevention

Environmental
Public Health

Maternal Child
Family Health

Assurance Role:
Access to
Clinical Care

Vital Records

Jail Health

EMS

MEO

Across all programs:

- Assessment (surveillance and epidemiology)
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- Policy development and support
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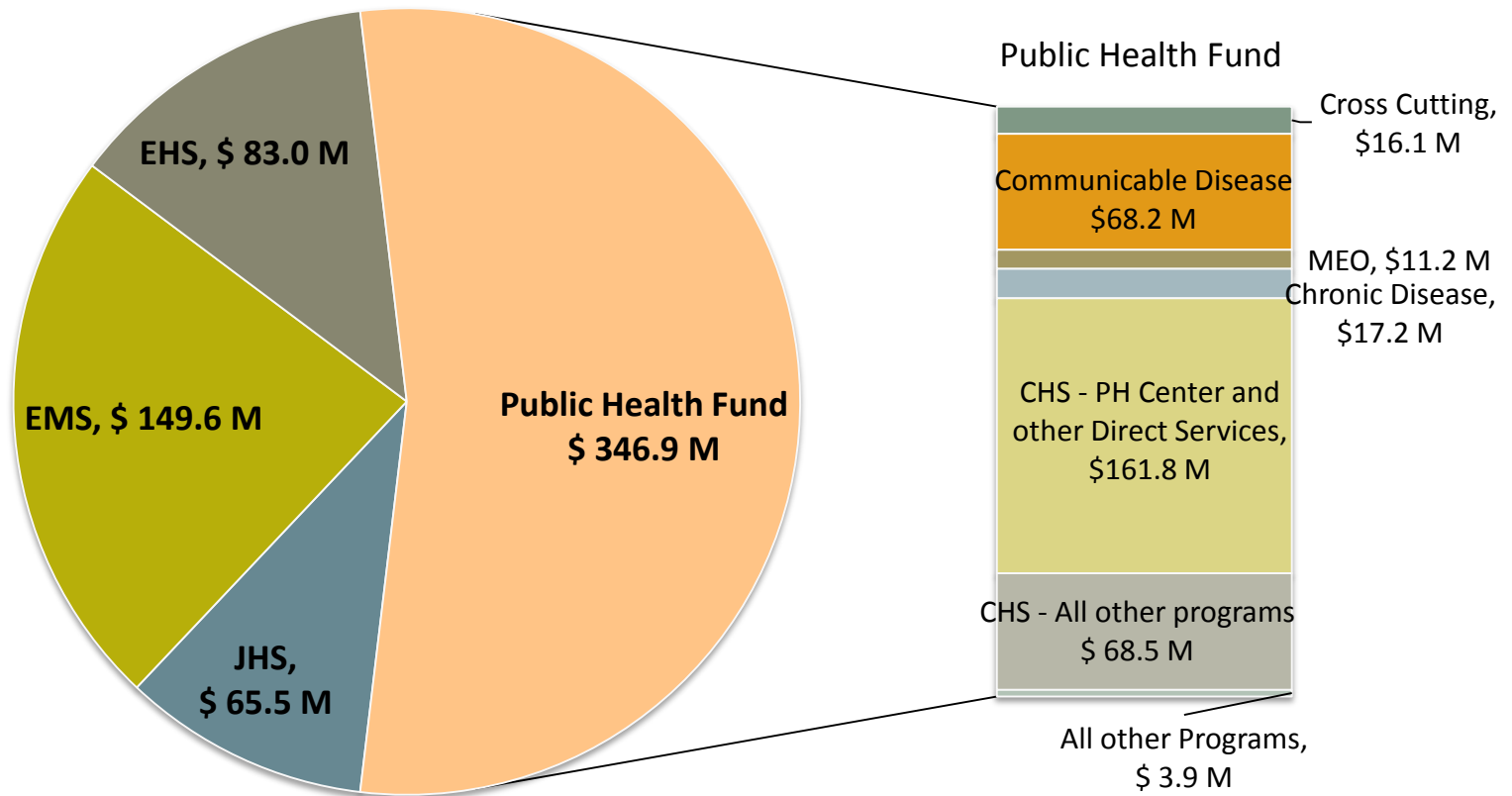
State's FPHS model
accounts for the
capacity shown in
yellow brackets.

Public Health – Seattle & King County

- Department structure is consistent with the Foundational Public Health Services Model
 - **Communicable Disease** (inc. Vital Records & MEO)
 - **Chronic Disease and Injury Prevention/Healthy Communities**
 - Environmental Health
 - Community Health Services (inc. Maternal Child Health & Access to Clinical Care)
 - Jail Health Services
 - Emergency Medical Services
 - All supported by **Cross-Cutting/Business Practices** (inc. Assessment, Preparedness, Communications, policy, partnerships, and administrative functions)

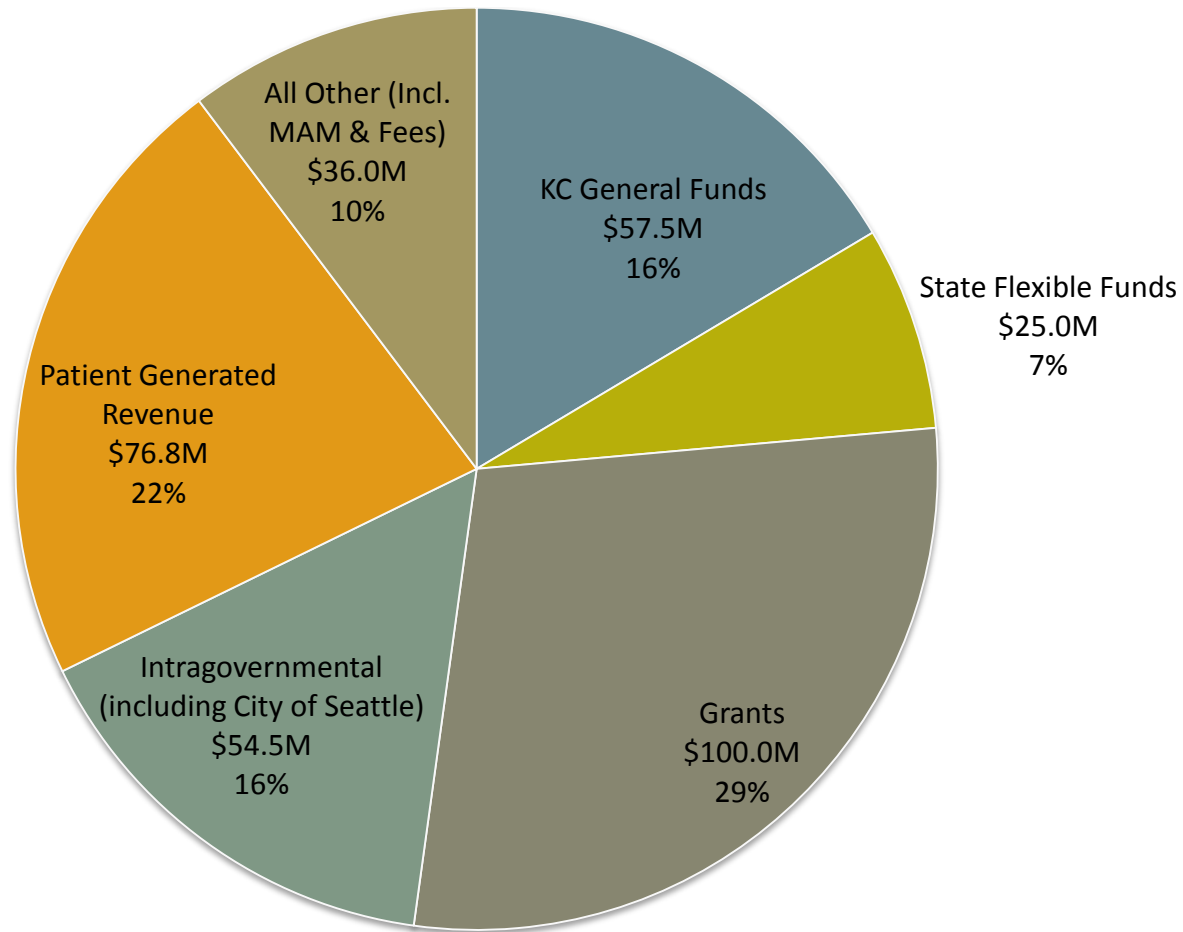
Department of Public Health – Seattle & King County

2015-16 Operating Budget

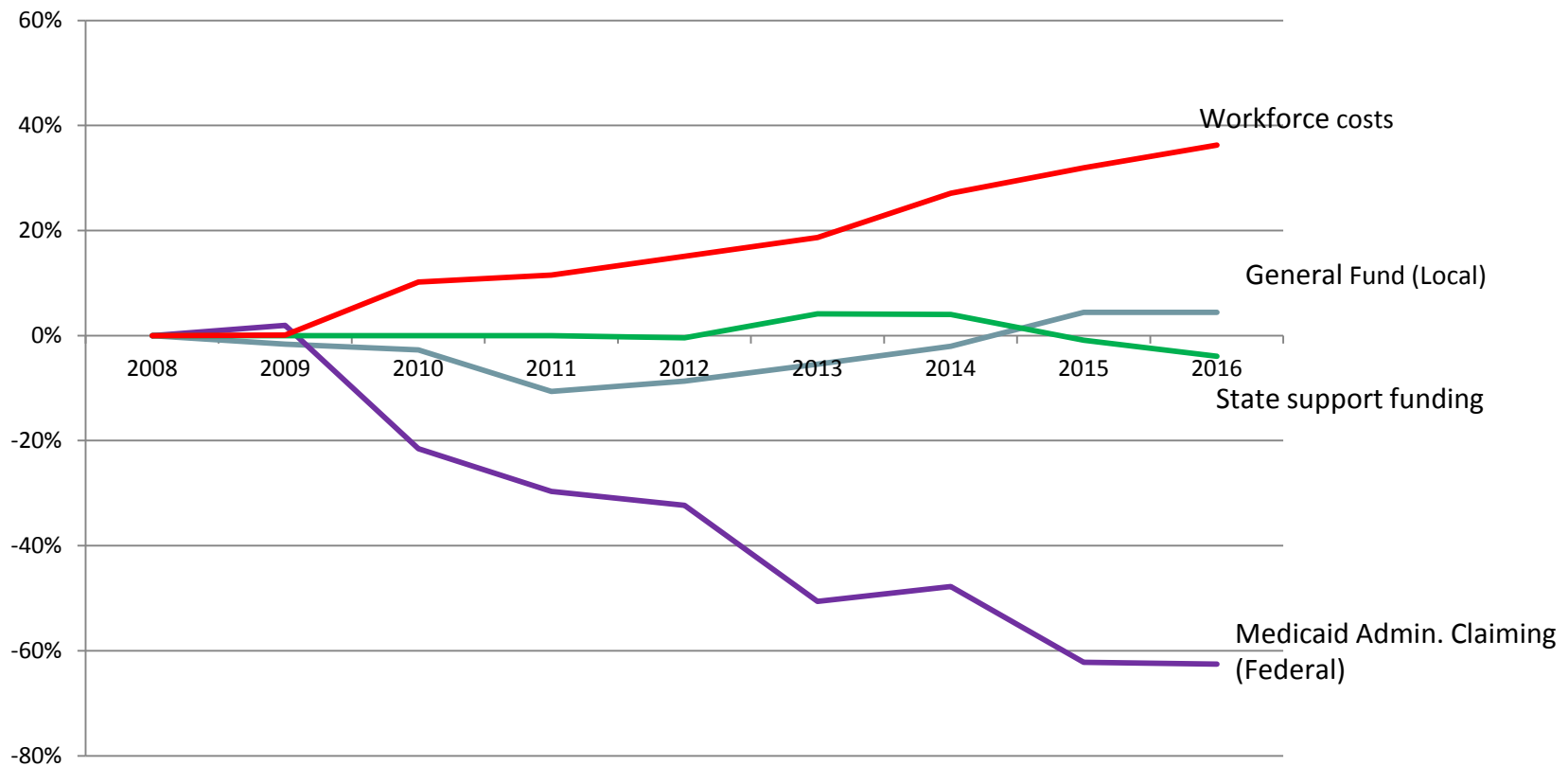


Public Health Fund

2015-16 Revenue Estimate



Comparing Growth in Workforce Costs With Available Local, State, and Federal Funding: 2008-2016



2015/16 Forecasted Debt

- The 2015/2016 budget process involved extensive effort to prepare a Public Health budget
- The current estimated debt at the end of 2015/2016, however, is \$9.7M with BSK (\$11.8M without BSK)
- Public Health has worked to reduce expenditures throughout 2015 and into 2016 through several efforts, including reducing training and holding vacancies open

Major Considerations for 2017-2018 Budget

- Positive factors
 - Best Starts for Kids (BSK)
 - Harborview support
- Challenges
 - State flexible support remains uncertain
 - The General Fund faces a \$50 million deficit in next biennium

Questions and Up Next

- *Public Health status: structure, alignment with Council, financial position*
- **Critical policy and financial challenges and choices**
 - **Communicable disease**
 - **Cross-cutting services**
 - **Chronic disease & injury prevention**
 - **Clinic sustainability**
 - **Financial management**
- **Strategies and opportunities for Council engagement**

What's at Risk

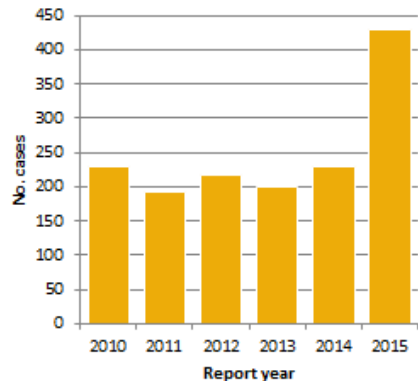
- Communicable disease control and prevention – tracks down and prevents the spread of TB, measles, E. coli, and 200 other reportable diseases.
- Cross cutting services including data assessment, communications/public information, and preparedness.
- Programs targeting asthma, obesity, tobacco, cancer and other leading causes of preventable death.



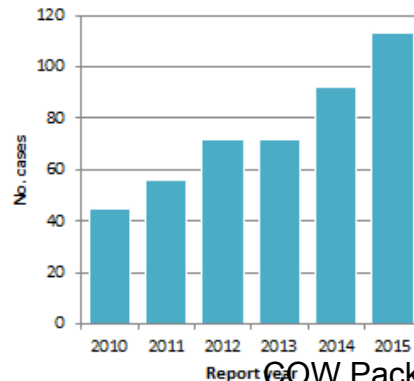
Communicable Disease

- Population-based disease control, serving all 2 million KC residents
- Part of the work involves investigation of infectious diseases. This work is increasing in intensity and complexity.

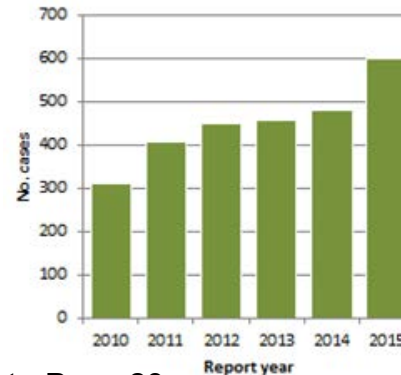
Salmonellosis



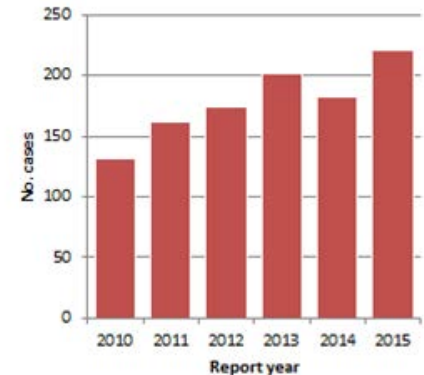
Shiga toxin-producing *E. coli*



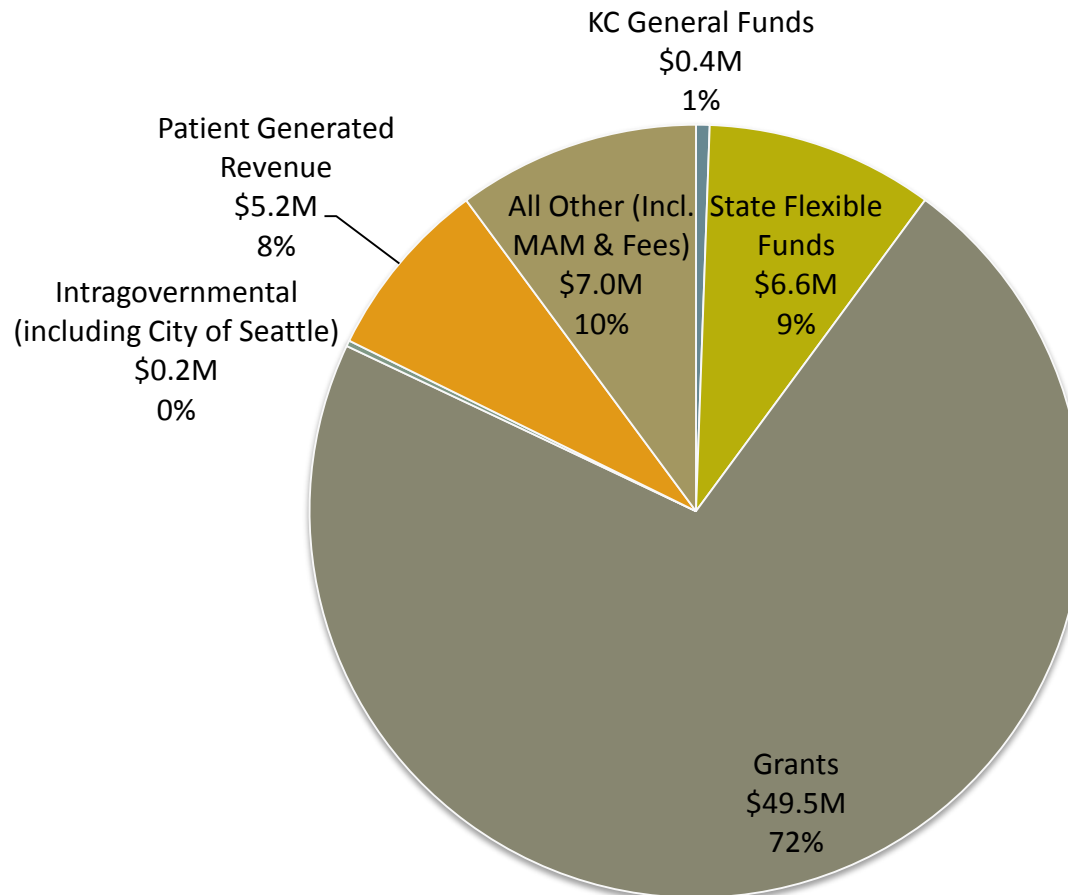
Campylobacteriosis



Giardiasis

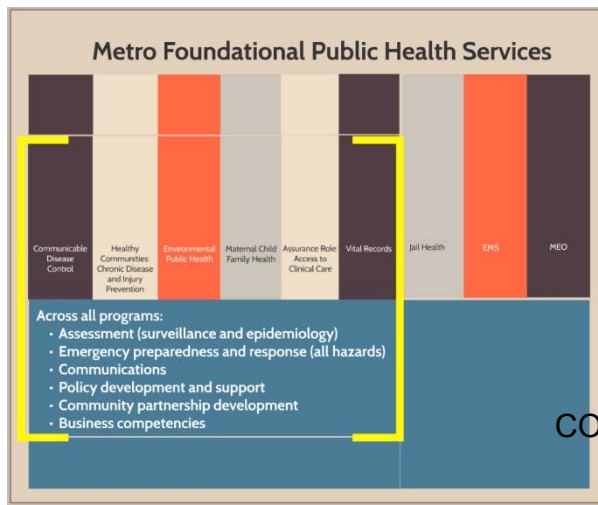


Communicable Disease 2015-2016 Revenue Estimate

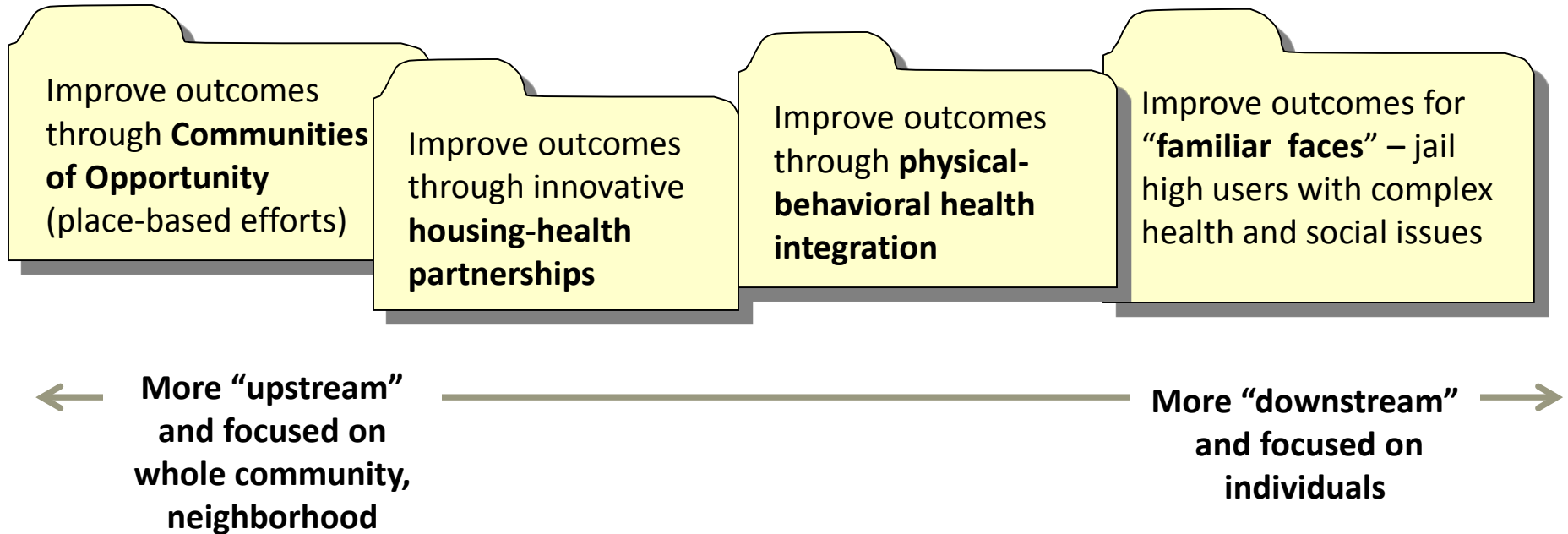


Cross-cutting Foundational Services

- These services include data assessment, communications, preparedness, policy development, community partnerships and business practices (HR, finance, etc.).
- The rest of the department relies on cross-cutting services for basic support in these areas, particularly as leader/convenor. It's “glue” for the dept.
- Cross-cutting services have been impacted by cuts (many positions and operational units eliminated)

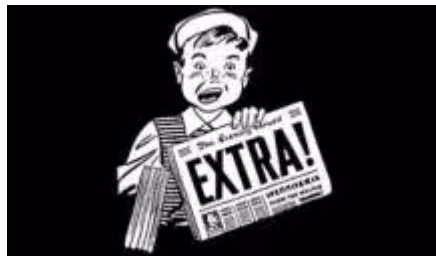


Cross cutting service: Leading the effort to create an Accountable Community of Health in King County



Cross-cutting: Public Health Information

- The 21st century information environment has changed residents' needs and expectations.
- We have moved beyond “press release and done” approach. Focus is on leading the conversation, working with ethnic media, and translating and creating useable health information to reach all residents.



Healthy Communities

Chronic Disease & Injury Prevention

Addresses leading causes of preventable illness and death:

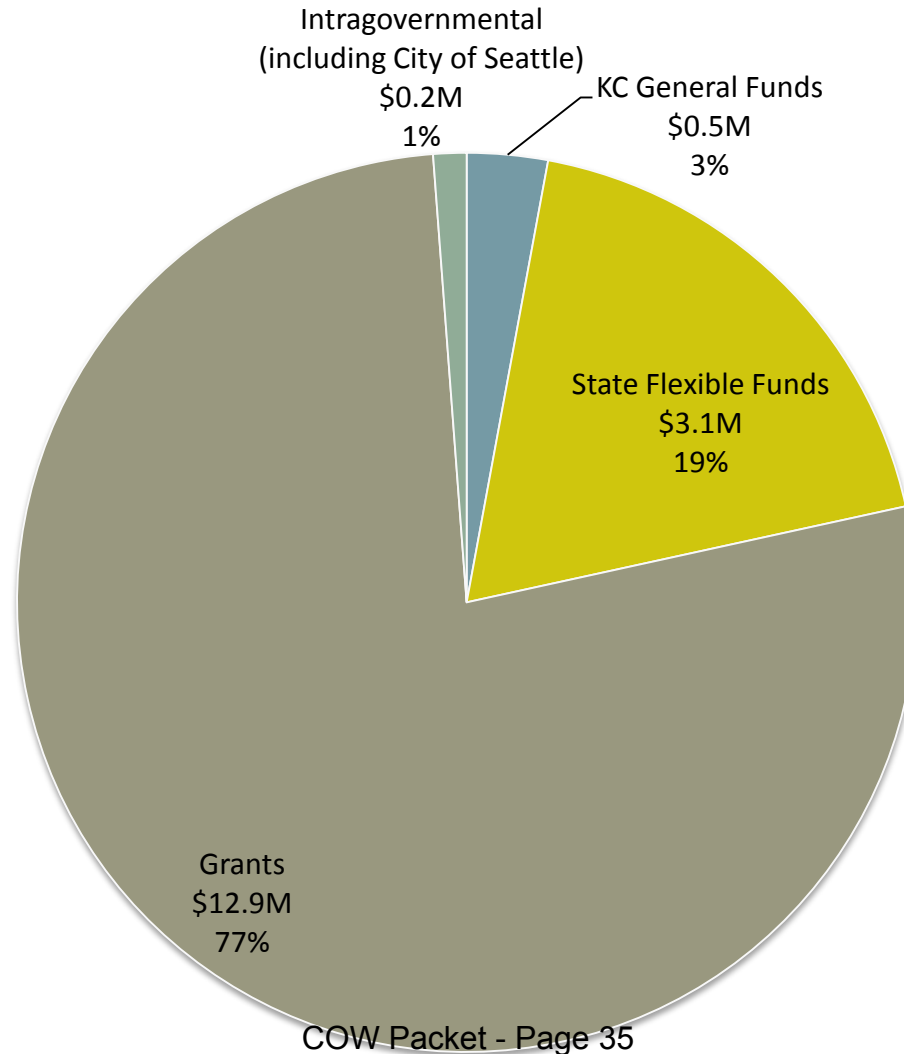
- Asthma
- Cancer
- Tobacco prevention (lung cancer, heart disease)
- Firearm safety
- Marijuana use in children & teens
- Nutrition and physical activity (health outcomes from obesity include cancer, heart disease)

Healthy Communities Grant: Partnerships In Community Health

- Partnership to Improve Community Health and 24 partners work to improve nutrition, increase physical activity and reduce exposure to tobacco.
- 3-year grant that ends in 2017
- Partners include schools, in-home childcare providers, planning departments, housing, community organizations, colleges and retail businesses among others



Chronic Disease & Injury Prevention 2015-2016 Revenue Estimate



Clinic Sustainability

- King County has long shown a commitment to being a safety net provider.
- BSK supplantation issues will factor into program decisions during the levy.
- Short-term: efforts focus on staffing model, demand/outreach, and revenue cycle.
- Long-term and ongoing: efforts around analysis of services by program.

Financial Management Project



PHSKC, PSB and FBOD are working together to assess and implement strategies to improve and strengthen financial management, including:

- Financial forecasting: Improved forecasting process, standard reports, and quarterly training for operations staff: resulting in emerging issues seen earlier and higher confidence in our quarterly financial reporting.
- Transaction Posting Delays: We've brought the time down from 122 days in Q1 to 39 days in Q3 (goal is 30 days). This results in better data for forecasting and monitoring.
- Overhead Calculation and Allocation: We are examining whether the complexity and effort to recover overhead from grants is worth it. The work underway will help us streamline the process, ensure federal grant compliance, and maximize what costs we should recover.
- Financial plans use conservative assumptions.

Questions and Up Next

- Public Health status: structure, alignment with Council priorities, financial position
- Critical policy and financial challenges and choices
 - Communicable disease
 - Cross-cutting services
 - Chronic disease & injury prevention
 - Clinic sustainability
 - Financial management
- **Strategies and opportunities for Council engagement**



As a metropolitan health department, we have an expanded role, and with that comes the need for expanded programs and capabilities.

Metro Foundational Public Health Services

State's FPHS model accounts for the capacity shown in yellow brackets.

Communicable
Disease
Control

Healthy
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EMS

MEO

Across all programs:

- Assessment (surveillance and epidemiology)
- Emergency preparedness and response (all hazards)
- Communications
- Policy development and support
- Community partnership development
- Business competencies

Upcoming at the Council

- Best Starts for Kids general Implementation Plan (due June 1)
- Behavioral/physical health integration
- Decisions on disposition or sustaining of clinic facilities – e.g. Northshore
- Line of Business planning outcomes
- Financial management milestones
- 2017-18 budget proposals
- 2017 legislative agenda & outreach



Conclusion & Questions

Key Themes Revisited:

- Public Health's finances are improving, but significant challenges remain.
- Public Health's ability to fulfill its mission has been compromised by flat state and federal revenues while our region's health challenges have grown more complex.
- Foundational Public Health Services is a statewide policy and funding framework that presents an important opportunity for Council participation.
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Project sites

PICH

175

COO

30

